Calcutta High Court in its recent judgement ruled that the activities of the Peerless General Finance and Divestment Company do not attract the provisions of the Prize Chits and the Money Circulation Schemes (Banning) Act, 1978;

(b) whether as a result of the judgement the activities of the company will be considered legal and valid *ab initio;*

(c) whether the company has since applied to the Reserve Bank for exemption from the directive issued by the Bank to all non-banking companies to restrict their deposits from the public to 25 per cent of the paid-up capital and reserves;

(d) whether the Reserve Bank has forwarded the application for exemption to the Central Government for comments; and

(e) if so, what is the Government's reaction thereto?

THE MINISTER OF STATE IN. THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI); (a) and (b) The issue that was before the Calcutta High Court in the matter of Peerless General Finance and Investment Company Limited was whether the activities of the Company were attracted by the provisions of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978. The Calcutta High Court in its recent judgement has held that the activities of the Company are not attracted by the provisions of the aforesaid Banning Act.

(c) to (e) Reserve Bank of India has reported that the Company has submitted an application to it seeking exemption from thn provisions of Non-Banking Financial Companies (Reserve Bank) Directions. 1977. A copy of the application of the Company hag also been sent to the Government by Reserve Bank of India. A decision on the application will be taken by the Reserve Bank in due course after taking into consideration all relevant factors.

Government money blocked jn sick units

776. SHRI VITHALBHAI MOTIRAM PATEL: Will the Minister of FINANCE be pleaL»d to state:

(a) whether it ia a fact that crores of rupees of Government institutions are blocked in sick units both public and private; and

(b) if so, what is the amount of money given to sick units by Government institutions and banks so far, unit-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) As per the report received from the Reserve Bank of India, the total number of sick units in the portfolio of scheduled commercial banks as of the end of June, 1985 was 99,668 and the outstanding bank credit in them amounted to Rs. 3,805,17 crores.

MMTC arrangements with Europe- based Trading Houses

777. PROF. C. LAKSHMANNA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the Mineral and Metals Trading Corporation proposes to enter into arrangements with several leading Europe-based trading houses for counter trade deals worth about 200 million dollars; and

(b) if so, what are the details thereof along with the names of the foreign trading houses?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI BRAHM DUTT): (a) and (b) As a part of its normal trading activity, MMTC on a continuous basis negotiates and concludes contracts